



**DANANG AIRPORTS SERVICES
JOINT STOCK COMPANY**

AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2023



DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

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DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

MANAGEMENT'S REPORT

Management of Danang Airports Services Joint Stock Company (hereinafter referred to as "the Company") hereby presents its report and the audited financial statements of the Company for the financial year ended 31 December 2023.

MEMBERS OF THE BOARD OF DIRECTORS, THE SUPERVISORY COMMITTEE, AND MANAGEMENT

Members of the Board of Directors during the year and on the date of this report include:

<u>Full name</u>	<u>Position</u>
Mr Dao Manh Kien	Chairman (Reappointed on 25 June 2021)
Mr Nguyen Thanh Dong	Member (Reappointed on 25 June 2021)
Mr Tran Thanh Hai	Member (Reappointed on 25 June 2021)
Ms Le Thi Thuy Linh	Member (Reappointed on 25 June 2021)
Ms Nguyen Thi Thuy Linh	Member (Appointed on 25 June 2021)

Members of the Supervisory Committee during the year and on the date of this report include:

<u>Full name</u>	<u>Position</u>
Mr Dinh Hong Son	Head (Reappointed on 25 June 2021)
Mr Nguyen Dung	Member (Reappointed on 25 June 2021)
Mr Le Giang Nam	Member (Appointed on 25 June 2021)

Members of management during the year and on the date of this report include:

<u>Full name</u>	<u>Position</u>
Mr Nguyen Thanh Dong	General Director (Reappointed on 25 June 2021)
Mr Tran Thanh Hai	Vice General Director (Reappointed on 01 November 2021)
Mr Pham Van Ha	Vice General Director (Reappointed on 01 November 2021)
Ms Nguyen Thi Minh Huyen	Chief Accountant (Reappointed on 01 November 2021)

AUDITOR

The accompanying financial statements of the Company for the financial year ended 31 December 2023 were audited by RSM Vietnam Auditing & Consulting Company Limited, a member firm of RSM International.

RESPONSIBILITY OF MANAGEMENT

The Company's management is responsible for preparing the financial statements of each period which give a true and fair view of the financial position of the Company and the results of its operations and its cash flows. In preparing these financial statements, management is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable accounting principles have been followed, subject to any departures that need to be disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement the internal control system effectively for a fair preparation and presentation of the financial statements so as to mitigate error or fraud.

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

MANAGEMENT'S REPORT (CONTINUED)

Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and ensure that the financial statements comply with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, and prevailing accounting regulations in Vietnam. Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirms that the Company has complied with the above requirements in preparing these financial statements.

STATEMENT BY MANAGEMENT

In management's opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and the results of its operations and its cash flows for the financial year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, and prevailing accounting regulations in Vietnam.

For and on behalf of management,



Nguyen Thanh Dong
General Director

Da Nang, 04 March 2024

No: 68/2024/KT-RSMHCM

INDEPENDENT AUDITOR'S REPORT

**To: Members of the Board of Directors
 Members of Management
 DANANG AIRPORTS SERVICES JOINT STOCK COMPANY**

Report on the financial statements

We have audited the accompanying financial statements of Danang Airports Services Joint Stock Company (hereinafter referred to as "the Company") prepared on 04 March 2024 as set out from page 05 to page 41, which comprise the statement of financial position as at 31 December 2023, and the income statement, and the notes to the financial statements.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards and Vietnamese Corporate Accounting System and relevant legislation as to the preparation and presentation of financial statements and for such internal control as management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Danang Airports Services Joint Stock Company as at 31 December 2023, and of the results of its financial performance and its cash flows for the financial year then ended in accordance with Vietnamese Accounting Standards and Vietnamese Corporate Accounting System issued under Circular 200/2014/TT-BTC dated 22 December 2014 and Circular 53/2016/TT-BTC dated 21 March 2016 by Ministry of Finance and relevant legislation as to the preparation and presentation of financial statements.

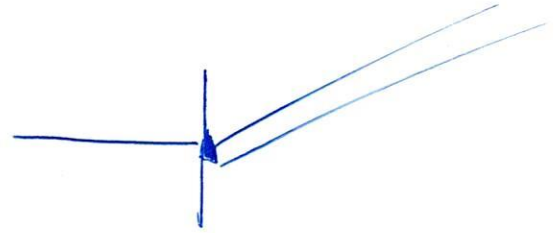
pp GENERAL DIRECTOR



Luc Thi Van

Vice General Director

Audit Practice Registration Certificate:
0172-2023-026-1



Trinh Thanh Thanh

Auditor

Audit Practice Registration Certificate:
2820-2020-026-1

RSM Vietnam Auditing & Consulting Company Limited

Ho Chi Minh City, 04 March 2024

As disclosed in Note 2.1 to the interim financial statements, the accompanying financial statements are only intended to present the financial position, financial performance, and cash flows in accordance with accounting principles and practices generally accepted in Vietnam, not under accounting principles and practices in countries and jurisdictions other than Vietnam.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

Expressed in VND

ASSETS	Code	Notes	As at 31 Dec. 2023	As at 01 Jan. 2023
A. CURRENT ASSETS	100		30,067,729,983	20,120,375,405
I. Cash and cash equivalents	110		7,445,756,042	4,764,980,007
1. Cash	111	4.1	7,445,756,042	4,764,980,007
II. Current account receivables	130		13,852,610,421	9,354,971,638
1. Trade receivables	131	4.2	13,249,847,590	7,373,094,889
2. Advances to suppliers	132		89,128,240	416,165,930
3. Other current receivables	136	4.3	3,068,864,354	4,120,940,582
4. Provision for doubtful debts	137	4.4	(2,555,229,763)	(2,555,229,763)
III. Inventories	140		5,481,391,429	4,882,065,022
1. Inventories	141	4.5	5,481,391,429	4,882,065,022
IV. Other current assets	150		3,287,972,091	1,118,358,738
1. Current prepayments	151	4.8	3,136,764,136	1,083,113,794
2. Tax and other receivables from the state	153	4.11	151,207,955	35,244,944
B. NON-CURRENT ASSETS	200		41,302,800,627	47,667,296,074
I. Non-current account receivables	210		112,820,000	-
1. Other non-current receivables	216		112,820,000	-
II. Fixed assets	220		37,768,805,611	44,376,997,070
1. Tangible fixed assets	221	4.6	37,182,606,269	43,813,186,609
Cost	222		161,605,573,024	163,227,924,526
Accumulated depreciation	223		(124,422,966,755)	(119,414,737,917)
2. Intangible fixed assets	227	4.7	586,199,342	563,810,461
Cost	228		953,083,100	883,083,100
Accumulated amortisation	229		(366,883,758)	(319,272,639)
III. Other non-current assets	260		3,421,175,016	3,290,299,004
1. Non-current prepayments	261	4.8	3,421,175,016	3,290,299,004
TOTAL ASSETS (270 = 100 + 200)	270		71,370,530,610	67,787,671,479

(See the next page)

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2023

Expressed in VND

RESOURCES	Code	Notes	As at 31 Dec. 2023	As at 01 Jan. 2023
C. LIABILITIES	300		40,821,137,036	40,082,584,070
I. Current liabilities	310		35,273,150,901	36,442,584,070
1. Trade payables	311	4.9	9,746,693,410	9,804,591,980
2. Advances from customers	312	4.10	5,502,114,042	6,429,282,725
3. Taxes and amounts payable to the state budget	313	4.11	572,282,845	451,734,871
4. Payables to employees	314	4.12	5,809,887,598	518,575,611
5. Accrued expenses	315	4.13	264,692,000	128,701,908
6. Current unearned revenue	318	4.14	2,751,490,988	2,972,124,708
7. Other current payables	319	4.15	1,933,117,069	2,358,017,140
8. Current loans and obligations under finance	320	4.16	8,494,194,873	13,222,730,127
9. Bonus and welfare fund	322		198,678,076	556,825,000
II. Non-current liabilities	330		5,547,986,135	3,640,000,000
1. Other non-current payables	337	4.15	3,640,000,000	3,640,000,000
2. Non-current loans and obligations under finance	338	4.16	1,907,986,135	-
D. OWNER'S EQUITY	400		30,549,393,574	27,705,087,409
I. Equity	410	4.17	30,549,393,574	27,705,087,409
1. Owner's contributed capital	411		42,676,830,000	42,676,830,000
Ordinary shares carrying voting rights	411a		42,676,830,000	42,676,830,000
2. Investment and development fund	418		803,208,113	803,208,113
3. Retained earnings	421		(12,930,644,539)	(15,774,950,704)
Beginning accumulated retained earnings	421a		(15,774,950,704)	(15,829,078,635)
Retained earnings of the current year	421b		2,844,306,165	54,127,931
TOTAL RESOURCES (440 = 300 + 400)	440		71,370,530,610	67,787,671,479



Nguyen Thanh Dong

General Director

Da Nang, 04 March 2024

Nguyen Thi Minh Huyen

Chief Accountant

Pham Thi Thuong

Preparer

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Danang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

Form B 02 - DN

INCOME STATEMENT

For the financial year ended 31 December 2023

Expressed in VND

ITEMS	Code	Notes	Year 2023	Year 2022
1. Revenue	01	5.1	146,906,238,809	106,817,475,753
2. Deductions	02		1,585,637,000	1,937,579,000
3. Net revenue	10		145,320,601,809	104,879,896,753
4. Cost of sales	11	5.2	120,217,647,448	89,565,842,049
5. Gross profit	20		25,102,954,361	15,314,054,704
6. Finance income	21		64,491,677	14,950,109
7. Finance expense	22	5.3	1,861,863,541	1,871,468,572
<i>Of which, interest expense</i>	23		1,111,687,930	1,072,609,396
8. Selling expense	25	5.4	7,057,748,811	4,585,103,848
9. General and administrative expense	26	5.5	12,970,581,747	7,823,391,072
10. Operating profit/(loss)	30		3,277,251,939	1,049,041,321
11. Other income	31		1,157,320,988	1,054,906,491
12. Other expense	32		782,263,980	835,801,712
13. Net other income/(loss)	40		375,057,008	219,104,779
14. Accounting profit/(loss) before tax	50		3,652,308,947	1,268,146,100
16. Net profit/(loss) after tax	60		3,652,308,947	1,268,146,100
17. Basic earnings per share	70	4.17.3	666	13
18. Diluted earnings per share	71	4.17.4	666	13



Nguyen Thanh Dong
General Director

Da Nang, 04 March 2024

Nguyen Thi Minh Huyen
Chief Accountant

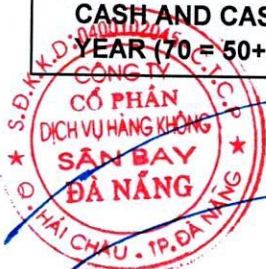
Pham Thi Thuong
Preparer

CASH FLOW STATEMENT
(Indirect method)

For the financial year ended 31 December 2023

Expressed in VND

ITEMS	Code	Notes	Year 2023	Year 2022
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Net profit /(loss) before taxes	01		3,652,308,947	1,268,146,100
2. Adjustment for:				
Depreciation and amortisation	02	5.6	8,909,325,627	10,305,333,157
Provisions	03		-	61,594,632
Foreign exchange gains/losses from revaluation of foreign currency monetary items	04		(31,202,033)	98,760,176
Gains/losses from investment	05		(553,188,618)	(135,970,375)
Interest expense	06		1,111,687,930	1,072,609,396
3. Operating profit /(loss) before adjustments to working capital	08		13,088,931,853	12,670,473,086
Increase or decrease in accounts receivable	09		(4,969,222,123)	(2,789,434,900)
Increase or decrease in inventories	10		(599,326,407)	(777,675,957)
Increase or decrease in accounts payable (excluding interest expense and CIT payable)	11		3,489,782,629	(6,151,670,482)
Increase or decrease prepaid expenses	12		(2,184,526,354)	(2,746,472,316)
Interest paid	14		(1,124,672,838)	(1,142,043,456)
Other cash inflows from operating activities	16		-	20,000,000
Other cash outflows from operating activities	17		(406,525,000)	(2,934,398,094)
Net cash from operating activities	20		7,294,441,760	(3,851,222,119)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Acquisition and construction of fixed assets and other long-term assets	21		(2,324,432,827)	(77,000,000)
2. Proceeds from disposals of fixed assets and other long-term assets	22		570,000,003	127,272,727
3. Interest and dividends received	27		6,487,274	8,697,648
Net cash from investing activities	30		(1,747,945,550)	58,970,375
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from borrowings	33	6.1	35,404,305,614	27,350,340,929
2. Repayment of borrowings	34	6.2	(38,222,699,133)	(26,979,003,676)
3. Dividends paid	36		(49,968,758)	(68,531,166)
Net cash from financing activities	40		(2,868,362,277)	302,806,087
NET INCREASE/(DECREASE) IN CASH (50 = 20+30+40)	50		2,678,133,933	(3,489,445,657)
Cash and cash equivalents at beginning of year	60		4,764,980,007	8,255,293,320
Impact of exchange rate fluctuation	61		2,642,102	(867,656)
CASH AND CASH EQUIVALENTS AT END OF YEAR (70 = 50+60+61)	70	4.1	7,445,756,042	4,764,980,007



Nguyen Thanh Dong
General Director

Da Nang, 04 March 2024

Nguyen Thi Minh Huyen
Chief Accountant

Pham Thi Thuong
Preparer

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

Form B 09 - DN

NOTES TO THE FINANCIAL STATEMENTS**1. CORPORATE INFORMATION****1.1. Structure of ownership**

Danang Airports Services Joint Stock Company (hereinafter referred to as "the Company"), formerly known as Danang Airports Services Company, had been a state-owned enterprise. On 23 September 2005, Da Nang Airports Services Company was converted into a joint stock company under Decision No. 3547/QĐ-BGTVT dated 23 September 2005 by the Ministry of Transport. The Company is operating in accordance with the Business Registration Certificate No. 3203000950 dated 05 April 2006 granted by Da Nang City's Department of Planning and Investment and other amended certificates thereafter with the 14th version of the amended certificate dated 20 April 2017.

On 09 September 2009, the Company has been officially granted a license to register for securities trading on the UpCom market. The Company was formally licensed to trade securities on Hanoi Stock Exchange under Decision No. 350/QĐ-SGDHN dated 30 June 2014 by Hanoi City Securities Trading Centre, with stock ticker MAS. The Company commenced trading on 15 July 2014.

Investors	Nation	As at 31 Dec. 2023		As at 01 Jan. 2023	
		Amount (VND)	Percent (%)	Amount (VND)	Percent (%)
Vietnam Airlines JSC	Vietnam	15,412,650,000	36.11	15,412,650,000	36.11
Other shareholders		27,264,180,000	63.89	27,264,180,000	63.89
Total		42,676,830,000	100.00	42,676,830,000	100.00

The Company's registered head office is at Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam.

The number of employees as at 31 December 2023 was 418 (31 December 2022: 360).

1.2. Business field

- Airline catering production, trading and services;
- Automobile and motorcycle driver training.

1.3. Operating industry and principal activities

The Company is principally engaged in:

- Direct support services for air transport operations
Details: Commercial aviation engineering operation;
- Manufacture of prepared meals and dishes
Details: Manufacture and serve of catering on flights, industrial catering, packaged and instant food, various types of candies, bottled purified water;
- Other education not classified elsewhere
Details: Driver training for cars and motorcycles;
- Restaurants and mobile food services
Details: Food service (CP 642) and beverage service (CP 643);

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Other supporting activities related to transport
Details: Airline ticket agents, freight forwarders by air, water, and rail;
- Advertising
Details: Advertising service business;
- Retail sale of other new goods in specialized stores
Details: Retail of non-food goods (CPC 631+632). Implementation of retail distribution rights for duty-free goods, handicrafts, general merchandise, stationery.

1.4. Normal operating cycle

The Company's normal operating cycle is carried out for a period of 12 months.

1.5. Operating activities in the financial year impacting the financial statements

The Company is principally engaged in Airline catering production, trading and related services at airports. The industry is showing signs of recovery after the Covid-19 pandemic. In 2023, domestic and international flights have rebounded, with both frequency and passenger numbers increasing, leading to a substantial increase in revenue by 38% compared to 2022 as follows:

- Revenue from commercial trading has increased by 32%;
- Revenue from providing airline catering and other related services has increased by 85%.

Revenue from driver training for cars and motorcycles services specifically decreased by 24% compared to 2022 due to a decrease in demand for driving lessons among the public and increased competition from vocational training centers in the same area.

Meanwhile, the cost of sales in 2023 only increased by 34% compared to 2022 due to rising raw material costs and external service expenses trending in line with revenue. However, fixed costs such as depreciation expenses decreased as some fixed assets were fully depreciated during the year.

1.6. The Company's structure

The Company's dependent units as at 31 December 2023 were as follows:

<u>Name</u>	<u>Operating industry</u>	<u>Address</u>
Meal Production and Supply Enterprise	Processing and supplying meals	Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city
Phu Bai Branch of Danang Airports Services Joint Stock Company	Processing and supplying meals; commercial trading and services	Group 18, Phu Bai ward, Huong Thuy town, Thua Thien Hue province
Nha Trang Branch – Danang Airports Services Joint Stock Company	Processing and supplying meals	Cam Ranh Airport, Cam Nghia Ward, Cam Ranh City, Khanh Hoa Province
Commercial and Catering Service Enterprise	Commercial trading and services	Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Name	Operating industry	Address
Branch of Danang Airports Services Joint Stock Company – Vocational Training Center for Automotive and Motorcycles Masco (hereinafter referred to as “Danang Driving Center”)	Automobile and motorcycle driver training	113 Nui Thanh, Hoa Cuong Bac ward, Hai Chau district, Da Nang city
Branch of Danang Airports Services Joint Stock Company – Vocational Training Center for Automotive – Motorcycles Masco Thua Thien Hue (hereinafter referred to as “Hue Driving Center”)	Automobile and motorcycle driver training	73 Phan Dinh Phung, Vinh Ninh ward, Hue city, Thua Thien Hue province

2. BASIS OF PREPARATION**2.1. Accounting standards, accounting system**

The accompanying financial statements, expressed in Vietnamese Dong (“VND”), are prepared under the historical cost convention, and in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, and prevailing accounting regulations in Vietnam.

The accompanying financial statements are only intended to present the financial position, financial performance, and cash flows in accordance with accounting principles and practices generally accepted in Vietnam, not under accounting principles and practices in countries and jurisdictions other than Vietnam.

2.2. Forms of accounting records

The form of accounting records applied in the Company is the General Journal.

2.3. Financial year

The Company’s financial year is from 01 January to 31 December.

2.4. Reporting and functional currency

The Company maintains its accounting records in VND.

3. SIGNIFICANT ACCOUNTING POLICIES**3.1. Foreign currencies**

- The exchange rates applied in accounting is the actual exchange rate at the time of transaction occurrence at the commercial banks where the Company conducts its transactions;
- The exchange rate applicable to asset recognition and re-evaluation is the foreign currency-buying rate;
- The exchange rate applicable to liability recognition and re-evaluation is the foreign currency-selling rate.

Transactions in foreign currencies are recorded, on initial recognition, in the reporting currency, by applying to the foreign currency amount the spot exchange rate between the reporting currency and the foreign currency at the date of the transaction. The exchange differences arising on the settlement of monetary items are recognised in profit or loss in the year in which they arise. At the end of the reporting year, monetary items excluding advances to suppliers, prepaid expenses, and unearned revenues, which are denominated in foreign currency, are reported using the closing rate and resultant exchange differences resulting from the reporting after offset are recognised in profit or loss in the year in which they arise.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.2. Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that impact the carrying value of certain assets and liabilities, contingent assets as at 31 December 2023 and liabilities reported in the notes as well as revenues and expenses for the financial year ended 31 December 2023. Although these estimates are based on management's best knowledge of all relevant information available at the date when the financial statements are prepared, this does not prevent actual figures differing from estimates.

3.3. Cash

Cash comprises cash in hand and cash at bank.

3.4. Account receivables

Recognition method

Account receivables are stated at the carrying amounts of trade receivables and other receivables less provisions for doubtful debts.

Provisions for doubtful debts

As of the date of the separate financial statements, provisions for doubtful debts are recognised for past-due accounts receivable and for accounts receivable where circumstances indicate that they might be uncollectible or for uncollectible debts due to liquidation, bankruptcy, or similar difficulties.

The difference between the required balance and the existing balance of provision for doubtful debts is recorded as a general and administrative expense in the income statement.

3.5. Inventories

Inventory measurement

Inventories are measured at the lower of cost and net realisable value.

The costs of inventories shall comprise all costs of purchase, costs of conversion, and other costs incurred in bringing inventories to their present location and condition. The cost of work in progress and finished goods includes materials, direct labour and attributable production overheads based on normal levels of activity.

The costs of purchase of inventories comprise the purchase price, non-reimbursable taxes and duties, and transport, handling, and other costs directly attributable to the acquisition of inventories. Trade discounts and sales rebates on substandard and obsolete goods purchased are deducted from the costs of purchase.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Method of accounting for inventories

Inventories are measured using the weighted average method and are recorded under the perpetual inventory method.

Provisions for decline in value of inventories

As of the date of the financial statements, provisions are recognised for obsolete, slow-moving, defective inventory, and for inventory stated at cost higher than net realisable value.

The difference between the required balance and the existing balance of the provision for a decline in value of inventories is included in cost of sales in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Inventories are written down to net realizable value item by item. For services being rendered, provision is made in respect of each service for which a separate selling price is charged.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

3.6. Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation.

Tangible fixed asset recognition

Tangible fixed assets are initially recognised at their cost. The cost of purchased tangible fixed assets comprises the purchase price and any directly attributable costs of bringing the assets to their present location and working condition for their intended use. Accessories added to fixed assets when purchased are recognised separately at their fair values and deducted from the historical cost of the respective tangible fixed assets.

The costs of tangible fixed assets constructed by contractors are the finalised costs of the construction, other directly related expenses and the registration fee (if any).

Depreciation

The costs of fixed assets are depreciated on a straight-line method over their estimated useful lives.

The estimated useful lives are as follows:

	<u>Year 2023</u>	<u>Year 2022</u>
▪ Buildings, structures	04 – 25 years	06 – 25 years
▪ Machinery and equipment	03 – 10 years	03 – 10 years
▪ Motor vehicles	03 – 10 years	03 – 10 years
▪ Office equipment	04 – 10 years	04 – 10 years

3.7. Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation.

Intangible fixed asset recognition

The cost of an intangible fixed asset comprises the total amount of expense incurred by the Company to acquire an asset at the time the asset is put into operation for its intended use.

Accounting principles for intangible fixed asset

Land use rights

Land use rights is presented as the value of the long-term land use rights at Da Nang International Airport. Indefinite land use rights are not amortised.

Computer software

Computer software is not an indispensable component of hardware and is recognised as an intangible asset and depreciated over its useful life.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.8. Business cooperation contract (BCC)

The principles of recording capital contribution

The driving training centers in Da Nang and Hue operate through an investment partnership between the Company and individuals to jointly carry out training activities but do not form independent legal entities. The Company, as the recipient of the capital contribution, records the amount of capital contributions from individuals as other payable liabilities.

The principles of accounting and profit distribution

The Company is responsible for managing, operating, directing, and is directly recording all revenue and expenses incurred from the activities of the two training centers. According to the agreement, the remaining partners are only entitled to profit sharing at the end of the accounting year.

3.9. Prepayments

Prepayments are classified as current and non-current based on their original term. Prepayments mainly comprise costs of tools and supplies and land rentals, etc., which are amortised over the period for which they are paid or the period in which economic benefits are generated in relation to these expenses.

The following expenses are recognised as prepayments and amortised to the income statement:

- Prepaid land, premise and fixed asset rentals are amortised over the period of lease;
- Tools and supplies are amortised to the income statement over 12 to 36 months;
- Other prepayments: Based on the nature and amount of expenses, the Company selects the appropriate method and criteria for allocation over the period in which economic benefits are expected to be generated.

3.10. Liabilities

Liabilities are classified into trade payables and other payables based on the following rules: Trade payables represent those arising from purchase and sale related transactions of goods, services or assets and the seller is independent of the buyer; the remaining payables are classified as other payables.

Liabilities are also classified according to the maturity date, the remaining term from the date of the financial statements, original currency, and each creditor.

Liabilities are recognised at no less than the payment obligation.

3.11. Accrued expenses

Accrued expenses represent expenses that will be paid in the future for goods or services received but not yet paid due to lack of invoices or accounting documents. These expenses are recognised as operating expenses of the reporting year.

3.12. Unearned revenues

Unearned revenues include advanced payments for one or more accounting periods for training services and other services being provided within the year.

Unearned revenues are periodically determined and transferred into revenues according to the time-of-service delivery.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.13. Owners' equity

The owners' contributed equity

The owners' contributed equity is recognised when contributed.

Dividends

Dividends are recognised as a liability at the date of declaring dividends.

Retained earnings

Net profit after income tax can be distributed to shareholders after the distribution is approved by the General Annual Meeting of Shareholders and reserves are created in accordance with the Company's Charter and legal regulations in Vietnam.

3.14. Revenue and other income

Revenue from selling goods

Revenue from selling goods is measured at the fair value of the consideration received or receivable. In most cases, revenue is recognised when transferring the risks and rewards of ownership to the buyer.

Revenue involving the rendering of services

Revenue of a transaction involving the rendering of services is recognised when the outcome of this transaction can be estimated reliably. When a transaction involving the rendering of services is attributable to several periods, each period's revenue is recognised by reference to the stage of completion at the end of the reporting period.

3.15. Deductions

Deductions include trade discounts and sale returns.

Deductions arising in the reporting year from consumption of products, goods and services are recognised as decreases in revenue in that year; Deductions arising after the end of the reporting year but prior to issuing the financial statements for the reporting year are recognised as decreases in revenue of the reporting year; Deductions arising after the end of the reporting year and after issuing the financial statements for the reporting year are recognised as decreases in revenue of the next year.

3.16. Cost of sales

Cost of sales and services provided represents total costs of finished products, goods, services which are sold in the year in accordance with the matching principle. Abnormal amounts of production costs of inventories are recognised immediately in cost of sales.

3.17. Finance expense

Finance expenses represent all expenses incurred in the reporting year which mainly include interest expenses and losses from selling foreign currency and exchange rates.

3.18. Selling expense and general and administrative expense

Selling expenses represent expenses incurred during the process of selling products, goods and rendering services, which include payroll costs for sales employees', rental expenses, tools and supplies expenses, and other expenses incurred during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

General and administrative expenses represent common expenses, which include payroll costs for office employees' (salaries, wages, allowances, etc.), social insurance, health insurance, trade union fees and unemployment insurance, stationery expenses, tools and supplies expenses, utility services (electricity expenses, water expenses, phone, property insurance, fire and explosion insurance, etc.), sundry expenses (entertainment, business fee, etc.).

3.19. Taxation

Corporate income tax

Current corporate income tax expense

Current corporate income tax expense is determined on the basis of taxable income and the rate of corporate income tax (CIT) of the current year is determined as follows:

- For the training activities at the two driving training centers: the tax rate is 10% throughout the operational period according to point a, Clause 3, Article 19 of Circular No. 78/2014/TT-BTC dated 18 June 2014 by the Ministry of Finance, applicable to socialized units in the education and training sector;
- For the remaining activities of the Company, the tax rate is 20%.

Value added tax

The goods sold and services rendered by the Company are subject to value added tax at the following rates:

- Training services: Not subjected to value added tax;
- Sale of merchandise: 5% - 10%;
- Airports services: 10%;

In accordance with Decree No. 44/2023/NĐ-CP dated 30 June 2023 by the Government detailing the implementation of the Resolution No. 101/2023/QH15 passed by the Standing Committee of the National Assembly dated 24 June 2023, the VAT rate of 8% is applicable to catering services, airline meal service fees, meal transportation fees, flight attendants, flight crews, commercial business operations (excluding alcohol, beer, and tobacco products) etc. from 01 July 2023 to 31 December 2023.

Other taxes

Other taxes are applicable in accordance with the prevailing tax laws in Vietnam.

The tax reports of the Company will be inspected by the Tax Department. Application of the laws and regulations on tax to different transactions can be interpreted by many ways; therefore, the tax amounts presented in the financial statements can be amended in accordance with the Tax Department's final assessment for the Company.

3.20. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to ordinary shareholders (after adjusted for bonus and welfare funds), by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares bought back by the Company and held as treasury shares.

3.21. Diluted earnings per share

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders (after adjusted for bonus and welfare funds), by the weighted average number of ordinary shares outstanding during the year and total ordinary shares that would be issued on the conversion, excluding ordinary shares bought back by the Company and held as treasury shares.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**3.22. Segment reporting**

A segment is a distinguishable component of the Company that is engaged either in producing or providing related products or services (business segment), or in producing or providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3.23. Related parties

Related parties are individuals or entities that have the ability, directly or indirectly through one or more intermediaries, to control the Company or are controlled by, or are subject to common control with the Company. Associates, individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including directors and officers of the Company and close family members or associates of such individuals are also considered to be related parties.

3.24. Financial instruments***Initial recognition******Financial assets***

At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets.

Financial assets of the Company comprise cash and current deposits, trade and other receivables, loans, listed and unlisted financial instruments and derivative financial instruments.

Financial liabilities

At the date of initial recognition, financial liabilities are recognised at cost net of transaction costs that are directly attributable to the issue of the financial liabilities.

Financial liabilities of the Company comprise trade payables and other payables, debts and borrowings and derivative financial instruments.

Re-measurement after initial recognition

Currently, there are no requirements for the re-measurement of the financial instruments after initial recognition.

4. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE STATEMENT OF FINANCIAL POSITION**4.1. Cash**

	As at 31 Dec. 2023 VND	As at 01 Jan. 2023 VND
Cash in hand	1,537,358,713	1,183,097,906
Cash at bank	5,908,397,329	3,581,882,101
Total	<u>7,445,756,042</u>	<u>4,764,980,007</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.2. Current trade receivables

	As at 31 Dec. 2023 VND	As at 01 Jan. 2023 VND
Trade receivables from related parties - Refer to Note 8	1,175,274,864	803,742,198
Trade receivables from customers:		
Vietjet Aviation Joint Stock Company	3,180,055,465	1,134,863,169
STARLUX Airlines Co., Ltd	2,660,931,263	37,037,897
Indochina Airlines Joint Stock Company	1,481,124,999	1,481,124,999
Bamboo Airways Joint Stock Company	1,353,494,933	936,887,589
Other (*)	3,398,966,066	2,979,439,037
Total	13,249,847,590	7,373,094,889

(*) Any component of current trade receivables from other customers was less than 10% total current trade receivables.

4.3. Other current receivables

	As at 31 Dec. 2023 VND		As at 01 Jan. 2023 VND	
	Amount	Provisions	Amount	Provisions
Advances	1,160,364,890	-	2,121,750,828	-
Deposits	84,000,000	-	292,772,760	-
Allocation of losses to investment cooperation parties	1,246,796,349	-	1,521,621,010	-
Others	577,703,115	-	184,795,984	-
Total	3,068,864,354	-	4,120,940,582	-
In which, other receivables from related parties – Refer to Note 8	399,079,303	-	501,471,984	-

(See the next page)

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.4. Doubtful debts**

	As at 31 Dec. 2023		As at 01 Jan. 2023	
	Cost	Recoverable amount	Cost	Recoverable amount
Overdue trade receivables but uncollectible	2,555,229,763	-	2,555,229,763	-

Overdue trade receivables and overdue amounts loaned are analysed by debtor as follows:

	As at 31 Dec. 2023		As at 01 Jan. 2023	
	Cost	Recoverable amount	Cost	Recoverable amount
Indochina Airlines Joint Stock Company	1,481,124,999	-	1,481,124,999	-
Pacific Airlines Aviation Joint Stock Company	575,363,500	-	575,363,500	-
Army cadets at Danang Driving Center	498,741,264	-	498,741,264	-
Total	2,555,229,763	-	2,555,229,763	-

4.5. Inventories

	As at 31 Dec. 2023		As at 01 Jan. 2023	
	Cost	Provisions	Cost	Provisions
Raw materials	2,643,131,884	-	2,138,072,784	-
Tools and supplies	113,555,574	-	39,043,105	-
Finished goods	-	-	230,160	-
Merchandise	2,724,703,971	-	2,704,718,973	-
Total	5,481,391,429	-	4,882,065,022	-

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.6. Tangible fixed assets

Items	Buildings, structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost:					
As at 01 Jan. 2023	54,909,968,749	31,951,931,422	75,086,753,028	1,279,271,327	163,227,924,526
Transferred from CIP	706,132,827	-	-	-	706,132,827
Purchase	-	1,548,300,000	-	-	1,548,300,000
Disposals	-	-	(3,876,784,329)	-	(3,876,784,329)
As at 31 Dec. 2023	55,616,101,576	33,500,231,422	71,209,968,699	1,279,271,327	161,605,573,024
Accumulated depreciation:					
As at 01 Jan. 2023	29,141,718,371	25,973,974,026	63,088,859,679	1,210,185,841	119,414,737,917
Depreciation	2,763,301,560	2,423,172,724	3,620,853,284	54,386,940	8,861,714,508
Disposals	-	-	(3,853,485,670)	-	(3,853,485,670)
As at 31 Dec. 2023	31,905,019,931	28,397,146,750	62,856,227,293	1,264,572,781	124,422,966,755
Net book value:					
As at 01 Jan. 2023	25,768,250,378	5,977,957,396	11,997,893,349	69,085,486	43,813,186,609
As at 31 Dec. 2023	23,711,081,645	5,103,084,672	8,353,741,406	14,698,546	37,182,606,269

The amount of year-end net book value of tangible fixed assets totalling VND 4,607,791,095 was pledged/mortgaged as loan security – Refer to Note 4.16.

The historical cost of tangible fixed assets fully depreciated but still in use totalled VND 68,963,451,975.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.7. Intangible fixed assets

	Land use rights (*) VND	Software VND	Total VND
Cost:			
As at 01 Jan. 2023	473,227,100	409,856,000	883,083,100
Purchase	-	70,000,000	70,000,000
As at 31 Dec. 2023	<u>473,227,100</u>	<u>479,856,000</u>	<u>953,083,100</u>
Accumulated amortisation:			
As at 01 Jan. 2023	-	319,272,639	319,272,639
Amortisation	-	47,611,119	47,611,119
As at 31 Dec. 2023	<u>-</u>	<u>366,883,758</u>	<u>366,883,758</u>
Net book value:			
As at 01 Jan. 2023	473,227,100	90,583,361	563,810,461
As at 31 Dec. 2023	<u>473,227,100</u>	<u>112,972,242</u>	<u>586,199,342</u>

(*) Representing long-term land use rights at Da Nang International Airport for the Company's office and Da Nang Catering factory. These land use rights are pledged/mortgaged as loan security – Refer to Note 4.16.

The historical cost of intangible fixed assets fully amortised but still in use totalled VND 332,856,000.

4.8. Prepayments

	As at 31 Dec. 2023 VND	As at 01 Jan. 2023 VND
Current:		
Premises, land and assets rental	2,058,458,098	754,186,802
Tools and consumable expenditure	242,049,362	73,111,501
Other	836,256,676	255,815,491
Total	<u>3,136,764,136</u>	<u>1,083,113,794</u>
Non-current:		
Tools and consumable expenditure	1,319,030,537	1,424,289,352
Training expenses for catering certificate	428,544,436	755,002,150
Repair expenses	1,673,600,043	1,111,007,502
Total	<u>3,421,175,016</u>	<u>3,290,299,004</u>

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.9. Current trade payables**

	As at 31 Dec. 2023		As at 01 Jan. 2023	
	Amount	Payable amount VND	Amount	Payable amount VND
Trade payables to related parties – Refer to Note 8	98,295,965	98,295,965	1,144,534,777	1,144,534,777
Trade payables:				
Business household of Le Ngoc Thinh	872,114,319	872,114,319	1,170,351,057	1,170,351,057
Le Tien Minh	690,114,420	690,114,420	610,530,000	610,530,000
Danang International Airport	586,538,908	586,538,908	991,077,458	991,077,458
Vietnamese Life Trading and Services Joint Stock Company - Danang Branch	572,750,525	572,750,525	144,828,000	144,828,000
Other suppliers (*)	6,926,879,273	6,926,879,273	5,743,270,688	5,743,270,688
Total	9,746,693,410	9,746,693,410	9,804,591,980	9,804,591,980

(*) As at 31 December 2023, any component of current trade payables was less than 10% of the total current trade payables.

4.10. Current advances from customers

	As at 31 Dec. 2023		As at 01 Jan. 2023	
	Amount	Payable amount VND	Amount	Payable amount VND
Advances from related parties – Refer to Note 8	5,448,708,042	5,448,708,042	5,874,722,725	5,874,722,725
Advances from learner driver at Danang Driving Center	40,960,000	40,960,000	351,900,000	351,900,000
Advances from learner driver at Hue Driving Center	12,392,000	12,392,000	202,660,000	202,660,000
Other customers	54,000	54,000	-	-
Total	5,502,114,042	5,502,114,042	6,429,282,725	6,429,282,725

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.11. Tax and amounts receivable from/payable to the state budget**

	As at 31 Dec. 2023		Movements in the year		As at 01 Jan. 2023	
	Receivable	Payable	Payable	Paid	Receivable	Payable
	VND		VND		VND	
Value added tax	-	533,611,418	10,105,184,044	9,982,032,404	-	410,459,778
Corporate income tax	35,244,944	-	-	-	35,244,944	-
Personal income tax	-	38,671,427	148,882,073	151,485,739	-	41,275,093
Land rental	115,963,011	-	55,230,849	171,193,860	-	-
Other taxes	-	-	13,000,000	13,000,000	-	-
Total	151,207,955	572,282,845	10,322,296,966	10,317,712,003	35,244,944	451,734,871

4.12. Payables to employees

Representing the salary fund payables to employees as at 31 Decemeber 2023.

4.13. Current accrued expenses

	As at	As at
	31 Dec. 2023	01 Jan. 2023
	VND	
Accrued interest expense	45,717,000	58,701,908
Accrued audit fee	42,500,000	70,000,000
Accrued meal franchise fees	176,475,000	-
Total	264,692,000	128,701,908

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.14. Current unearned revenue**

	As at 31 Dec. 2023 VND	As at 01 Jan. 2023 VND
Driver training at Danang Driving Center	891,510,454	1,328,680,564
Driver training at Hue Driving Center	1,859,980,534	1,625,262,326
Office leasing revenue	-	18,181,818
Total	<u>2,751,490,988</u>	<u>2,972,124,708</u>

4.15. Other payables

	As at 31 Dec. 2023 VND	As at 01 Jan. 2023 VND
Current:		
Profit payable to business cooperation contracts (*)	345,507,192	521,482,835
Trade union dues	185,200,426	241,062,858
Current deposits	444,200,000	532,220,000
Learner referral commission fee	279,204,000	242,400,000
Responsibility fee for the taxi driver	219,845,533	222,488,260
Amounts received by the Company on behalf	73,845,802	200,501,802
Other payables	385,314,116	397,861,385
Total	<u>1,933,117,069</u>	<u>2,358,017,140</u>

(*) In which, profit payables to related parties – Refer to Note 8

95,014,478	143,407,780
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Non-current:

	As at 31 Dec. 2023 VND	As at 01 Jan. 2023 VND
Capital contribution under business cooperation contracts of Danang Driving Center	1,640,000,000	1,640,000,000
Capital contribution under business cooperation contracts of Hue Driving Center	2,000,000,000	2,000,000,000
Total	<u>3,640,000,000</u>	<u>3,640,000,000</u>
In which, Capital contributed of related parties – Refer to Note 4.28	950,000,000	950,000,000

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.16. Loans**

	As at 31 Dec. 2023		Movements in the year		As at 01 Jan. 2023	
	Amount	Payable amount	Increase	Decrease	Amount	Payable amount
						VND
Current loans						
Vietnam Joint Stock Commercial Bank for Industry and Trade – Da Nang Branch	8,494,194,873	8,494,194,873	33,496,319,479	36,765,934,333	11,763,809,727	11,763,809,727
Current portion of long-term debt						
Vietnam Joint Stock Commercial Bank for Industry and Trade – Da Nang Branch	-	-	-	1,458,920,400	1,458,920,400	1,458,920,400
Non-current loans						
Vietnam Joint Stock Commercial Bank for Industry and Trade – Da Nang Branch	1,907,986,135	1,907,986,135	1,907,986,135	-	-	-
Total	10,402,181,008	10,402,181,008	35,404,305,614	38,224,854,733	13,222,730,127	13,222,730,127

Details of the loans are as follows:

- Current loans from Vietnam Joint Stock Commercial Bank for Industry and Trade – Da Nang Branch:

Credit line: VND 20,000,000,000

Loan term: 12 months

Interest rate: 7.9 p.a. – 8.5% p.a.

Purpose: Supplemental working capital

Mortgage:

Long-term land use rights at Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city totalled VND 473,227,100 as at 31 December 2023 – Refer to Note 4.7.

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Non-current loans from Vietnam Joint Stock Commercial Bank for Industry and Trade – Da Nang Branch:

Credit line: VND 1,976,000,000
 Loan term: 36 months
 Interest rate: Depends on each disbursement
 Purpose: Procurement, investment in fixed assets
 Mortgage: The Company's motor vehicles with its net book value totalled VND 4,607,791,095 as at 31 Decemeber 2023 – Refer to Note 4.6.

4.17. Owners' equity

4.17.1. Changes in owners' equity

	Items of owners' equity			Total VND
	Owners' contributed capital VND	Investment and development fund VND	Retained earnings VND	
As at 01 Jan. 2022	42,676,830,000	803,208,113	(15,829,078,635)	27,650,959,478
Previous year's profits	-	-	1,268,146,100	1,268,146,100
Distribution of profits to investment cooperation parties of Danang Driving Center	-	-	(516,489,993)	(516,489,993)
Distribution of profits to investment cooperation parties of Hue Driving Center	-	-	(625,728,176)	(625,728,176)
Distribution to bonus and welfare fund	-	-	(71,800,000)	(71,800,000)
As at 01 Jan. 2023	42,676,830,000	803,208,113	(15,774,950,704)	27,705,087,409
Current year's profits	-	-	3,652,308,947	3,652,308,947
Distribution of profits to investment cooperation parties of Danang Driving Center	-	-	(274,824,661)	(274,824,661)
Distribution of profits to investment cooperation parties of Hue Driving Center	-	-	(484,800,044)	(484,800,044)
Distribution to bonus and welfare fund	-	-	(48,378,076)	(48,378,076)
As at 31 Dec. 2023	42,676,830,000	803,208,113	(12,930,644,539)	30,549,393,574

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.17.2. Shares**

	As at 31 Dec. 2023	As at 01 Jan. 2023
Number of shares registered for issue	4,267,683	4,267,683
Number of shares sold to public	4,267,683	4,267,683
Number of shares outstanding	4,267,683	4,267,683

Par value per outstanding share: VND 10,000 per share.

4.17.3. Basic earnings per share

	Year 2023 VND	Year 2022 VND
Profit after tax attributable to ordinary shareholders	3,652,308,947	1,268,146,100
Adjustments for the increases (decreases) profit or loss after CIT:		
+ Incremental adjustments for profit under business cooperation contracts	(48,378,076)	(71,800,000)
+ Decremental adjustments for profit under business cooperation contracts	(759,624,706)	(1,142,218,169)
Earnings for the purpose of calculating basic earnings per share	2,844,306,165	54,127,931
Weighted average number of ordinary shares outstanding during the period	4,267,683	4,267,683
Basic earnings per share	666	13

The Bonus and welfare fund is deducted when calculating basic earnings per share, which is estimated based on the expected distribution rate of the profit after-tax in 2023 of Hue Driving Center.

4.17.4. Diluted earnings per share

	Year 2023 VND	Year 2022 VND
Profit after tax attributable to ordinary shareholders	3,652,308,947	1,268,146,100
Adjustments for the increases (decreases) profit or loss after CIT:		
+ Incremental adjustments for profit under business cooperation contracts	(48,378,076)	(71,800,000)
+ Decremental adjustments for profit under business cooperation contracts	(759,624,706)	(1,142,218,169)
Earnings for the purpose of calculating diluted earnings per share	2,844,306,165	54,127,931
Number of ordinary shares for the purpose of calculating diluted earnings per share	4,267,683	4,267,683
Diluted earnings per share	666	13

The Bonus and welfare fund is deducted when calculating basic earnings per share, which is estimated based on the expected distribution rate of the profit after-tax in 2023 of Hue Driving Center.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.17.5. Dividends

The resolution of the Annual General Meeting of Shareholders in 2023 No. 04/NQ-DHDCD-DVDN on 27 April 2023 approved the dividend payment plan for the year 2019 (the Annual General Meeting of Shareholders in 2020 had approved a ratio of 25% of charter capital). However, due to the impact of the Covid-19 pandemic during the period of 2020 - 2021 and the profit for the year 2022 is also not sufficient to offset the accumulated losses, the Company has not distributed dividends for the year 2019 in order to alleviate difficulties in capital and cash flow for business operations.

4.18. Off statement of financial position items

	<u>As at 31 Dec. 2023</u>	<u>As at 01 Jan. 2023</u>
Foreign currencies:		
USD	5,723.50	6,418.36

5. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE INCOME STATEMENT

5.1. Revenue from selling goods and rendering services

	<u>Year 2023 VND</u>	<u>Year 2022 VND</u>
Revenue from sale of merchandise	13,074,092,359	9,908,598,153
Revenue from rendering training services	31,195,071,902	41,101,551,614
Revenue from rendering leasing services	1,187,441,673	990,084,221
Revenue from rendering catering services and related other services	101,449,632,875	54,817,241,765
Total	<u>146,906,238,809</u>	<u>106,817,475,753</u>
Of which the revenue from selling goods and rendering services to related parties – Refer to Note 8	60,684,677,654	39,458,409,486

The reason for the increase in revenue this year is presented in Note 1.5.

5.2. Cost of sales

	<u>Year 2023 VND</u>	<u>Year 2022 VND</u>
Cost of merchandise sold	8,921,359,581	6,320,903,044
Cost of training services rendered	24,477,557,928	28,870,028,300
Cost of catering services and other services rendered	86,818,729,939	54,374,910,705
Total	<u>120,217,647,448</u>	<u>89,565,842,049</u>

The reason for the increase in cost of sales this year is presented in Note 1.5.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.3. Finance expense

	Year 2023 VND	Year 2022 VND
Payment discount for related parties – Refer to Note 8	750,000,004	700,000,000
Interest expense	1,111,687,930	1,072,609,396
Realized exchange differences loss	175,607	-
Unrealized exchange differences loss	-	98,859,176
Total	1,861,863,541	1,871,468,572

5.4. Selling expense

	Year 2023 VND	Year 2022 VND
Employee expense	3,510,762,425	1,665,259,790
Material and tools expense	191,624,653	121,980,635
Depreciation expense	5,825,396	4,714,284
Services expenses	2,991,353,301	2,509,260,200
Other selling expenses	358,183,036	283,888,939
Total	7,057,748,811	4,585,103,848

5.5. General and administrative expense

	Year 2023 VND	Year 2022 VND
Administrative employee expenses	9,628,362,544	5,804,097,195
Office stationery expenses	157,005,732	101,509,015
Depreciation expense	53,596,477	180,401,112
Services expenses	1,110,423,748	950,993,928
Other expenses	2,015,367,851	786,389,822
Total	12,970,581,747	7,823,391,072

5.6. Production and business costs by element

	Year 2023 VND	Year 2022 VND
Purchase expense	5,341,616,395	6,208,705,355
Material expense	43,393,553,557	24,790,982,726
Employee expense	49,363,453,558	29,533,678,775
Depreciation expense	8,909,325,627	10,305,333,157
Service expense	17,852,142,278	16,463,145,775
Other expenses	15,385,886,591	14,672,491,181
Total	140,245,978,006	101,974,336,969

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**5.7. Current corporate income tax expense**

CIT expense calculated on the taxable income of the current year is determined as follows:

	Year 2023 VND	Year 2022 VND
Accounting profit before tax for the year	3,652,308,947	1,268,146,100
Add: Incremental adjustments	1,004,101,218	1,391,107,087
<i>Non-deduction expenses under CIT law</i>	995,852,594	1,391,107,087
<i>Unrealized exchange differences gain of cash and receivables at the end of the previous year</i>	8,248,624	-
Less: Decremental adjustments	(34,666,433)	(1,935,493,704)
<i>Unrealized exchange differences gain of cash and receivables at the end of the current year</i>	(34,666,433)	(8,248,624)
<i>Unrealized exchange differences gain of cash and receivables at the end of the previous year</i>	-	(7,514,309)
<i>Interest expense is not deductible according to Decree 132/2020/ND-CP 2023 carried forward</i>	-	(1,919,730,771)
Taxable income	4,621,743,732	723,759,483
Less: Loss carried forward (*)	(4,621,743,732)	(723,759,483)
Total taxable income in the current period	-	-
Current CIT expense	-	-
Total current CIT expense in the period	-	-

The adjustments for the increases (decreases) in the taxable income represent mainly non – tax – deductible items as regulated by CIT law.

(*) The Company is allowed to carry forward tax losses to the next year to offset against profits within five (5) years from the year in which the losses are incurred (31 Dec. 2023: VND 16,010,041,242). Details of remaining estimated tax losses for carrying forward are as follows:

From year	Carry forward losses to year	Tax losses	Accumulated losses utilised as at 31 Dec. 2023	Remaining Losses as at 31 Dec. 2023
2020	2025	9,175,719,742	5,345,503,215	3,830,216,527
2021	2026	12,179,824,715	-	12,179,824,715
Total		21,355,544,457	5,345,503,215	16,010,041,242

During the year, the Company had transactions with related parties, and the details of the interest expense deductible in the year according to Decree No. 132/2020/ND-CP are as follows:

	Year 2023 VND	Year 2022 VND
Interest expense	1,111,687,930	1,072,609,396
Deposit interests, lending interests	(6,487,274)	(8,697,648)
Net interest expense	1,105,200,656	1,063,911,748
Operating profit	3,652,308,947	1,049,041,321
Depreciation expense	8,909,325,627	10,305,333,157
Earnings before interest, taxes, depreciation and amortization (EBITDA)	13,291,778,222	12,418,286,226
Net interest expense deductible in accordance with Decree No. 132/2020/ND-CP	1,105,200,656	1,063,911,748

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**6. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CASH FLOW STATEMENT****6.1. Cash receipts from loans in the year**

	Year 2023 VND	Year 2022 VND
Cash receipts from loans under normal contracts	35,404,305,614	27,350,340,929

6.2. Cash repayments of principal amounts borrowed

	Year 2023 VND	Year 2022 VND
Cash repayment of principal amounts under normal contracts	(38,222,699,133)	(26,979,003,676)

(See the next page)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. SEGMENT REPORTING

For management purposes, the Company divided its activities on the basis of the following geographical major segments:

- Da Nang City;
- Khanh Hoa province;
- Thua Thien Hue province.

For the financial year ended 31 December 2023:

	Da Nang		Khanh Hoa		Thue Thien Hue		Eliminations		Total	
	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
Revenue										
External sales	94,791,297,906	66,606,072,570	26,209,929,533	12,478,260,121	25,905,011,370	27,733,143,062	-	-	146,906,238,809	106,817,475,753
Inter-segment sales	1,423,865,661	-	-	-	-	-	(1,423,865,661)	-	-	-
Total	96,215,163,567	66,606,072,570	26,209,929,533	12,478,260,121	25,905,011,370	27,733,143,062	(1,423,865,661)	-	146,906,238,809	106,817,475,753
Result										
Segment result	24,919,568,298	14,941,247,561	(3,651,449,533)	(5,980,984,618)	3,834,835,596	6,353,791,761	-	-	25,102,954,361	15,314,054,704
Selling expense	(5,710,189,496)	(3,750,398,429)	-	-	(1,347,559,315)	(834,705,419)	-	-	(7,057,748,811)	(4,585,103,848)
G&A expense	(10,401,544,479)	(3,505,305,798)	-	-	(2,569,037,268)	(4,318,085,274)	-	-	(12,970,581,747)	(7,823,391,072)
Finance income	73,306,795	41,653,772	317,368	273,805	262,585,276	258,430,034	(271,717,762)	(285,407,502)	64,491,677	14,950,109
Finance expense	(812,437,520)	(804,504,073)	(1,227,740,041)	(1,264,979,346)	(93,403,742)	(87,392,655)	271,717,762	285,407,502	(1,861,863,541)	(1,871,468,572)
Other profit	18,420,443	(190,990,731)	13,206,161	3,158,523	343,430,404	406,936,987	-	-	375,057,008	219,104,779
Profit before tax	8,087,124,041	6,731,702,302	(4,865,666,045)	(7,242,531,636)	430,850,951	1,778,975,434	-	-	3,652,308,947	1,268,146,100
Income tax expense	-	-	-	-	-	-	-	-	-	-
Net profit									3,652,308,947	1,268,146,100

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Other information

	Da Nang		Khanh Hoa		Thue Thien Hue		Eliminations		Total	
	31 Dec. 2023	01 Jan. 2023	31 Dec. 2023	01 Jan. 2023	31 Dec. 2023	01 Jan. 2023	31 Dec. 2023	01 Jan. 2023	31 Dec. 2023	01 Jan. 2023
Segment assets	70,860,927,506	66,571,725,487	25,196,016,562	29,311,952,430	13,252,724,886	11,789,126,662	37,939,138,344	39,885,133,100	71,370,530,610	67,787,671,479
Segment liabilities	(40,311,533,932)	(38,866,638,078)	(25,196,016,562)	(29,311,952,430)	(13,252,724,886)	(11,789,126,662)	(37,939,138,344)	(39,885,133,100)	(40,821,137,036)	(40,082,584,070)
	Da Nang	Da Nang	Khanh Hoa	Khanh Hoa	Thue Thien Hue	Thue Thien Hue	Eliminations	Eliminations	Total	Total
	31 Dec. 2023	01 Jan. 2023	31 Dec. 2023	01 Jan. 2023	31 Dec. 2023	01 Jan. 2023	31 Dec. 2023	01 Jan. 2023	31 Dec. 2023	01 Jan. 2023
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
Fixed assets:										
Historical cost	57,066,863,338	60,049,214,840	76,920,417,416	76,260,417,416	28,571,375,370	27,801,375,370	-	-	162,558,656,124	164,111,007,626
Accumulated depreciation	(48,386,300,209)	(49,699,770,224)	(53,732,929,250)	(48,499,713,566)	(22,670,621,054)	(21,534,526,766)	-	-	(124,789,850,513)	(119,734,010,556)
	Da Nang	Da Nang	Khanh Hoa	Khanh Hoa	Thue Thien Hue	Thue Thien Hue	Eliminations	Eliminations	Total	Total
	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
Depreciation expense	(2,540,015,655)	(1,490,582,031)	(5,233,215,684)	(5,473,915,782)	(1,136,094,288)	(3,340,835,344)	-	-	(8,909,325,627)	(10,305,333,157)
Cost of purchasing assets	(1,534,432,827)	(38,500,000)	-	-	(790,000,000)	(38,500,000)	-	-	(2,324,432,827)	(77,000,000)

Segment revenue is based on the client's geographical location. Assets and cost of purchasing assets in segment are presented according to geographical location of assets.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

In addition to the information of the business activities of the segments which are based on the operational structure of the Company, the figures below present information for the manufacturing secondary sector as follows:

- Aviation related activities (supply catering; trading; delivery services; cleaning service at the airport;...);
- Training related activities (driving license training for cars and motorbikes; car rental; practice ground rental;...).

For the financial year ended 31 December 2023:

	Aviation		Training		Eliminations		Total	
	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022
	VND	VND	VND	VND	VND	VND	VND	VND
Revenue								
External	115,544,285,592	65,663,903,237	31,361,953,217	41,153,572,516	-	-	146,906,238,809	106,817,475,753
Inter-segment	1,423,865,661	-	-	-	(1,423,865,661)	-	-	-
Total	116,968,151,253	65,663,903,237	31,361,953,217	41,153,572,516	(1,423,865,661)	-	146,906,238,809	106,817,475,753
Depreciation expense	(7,747,101,016)	(8,966,571,493)	(1,162,224,611)	(1,338,761,664)	-	-	(8,909,325,627)	(10,305,333,157)
Cost of purchasing assets	(844,432,827)	-	(1,480,000,000)	(77,000,000)	-	-	(2,324,432,827)	(77,000,000)

(See the next page)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RELATED PARTIES

<u>List of related parties</u>	<u>Relationship</u>
1. Vietnam Airlines JSC ("Vietnam Airlines")	Significant influence shareholder
2. Pacific Airlines Aviation Joint Stock Company	Vietnam Airlines subsidiary
3. Vietnam Airport Ground Services Company Limited	Vietnam Airlines subsidiary
4. Noi Bai Catering Services Joint Stock Company	Vietnam Airlines subsidiary
5. Branch of Vietnam Airlines Engineering Company Limited at Da Nang City	Vietnam Airlines subsidiary
6. Vietnam Airlines Caterers Ltd	Vietnam Airlines subsidiary
7. Board of Directors and management	Key management personnel

At the end of the reporting year, the balances with related parties are as follows:

	As at 31 Dec. 2023 VND	As at 01 Jan. 2023 VND
Trade receivables:		
Vietnam Airport Ground Services Company Limited	475,065,000	-
Pacific Airlines Aviation Joint Stock Company	523,041,264	498,741,264
Vietnam Airlines Caterers Ltd	125,307,000	-
Vietnam Airlines JSC	51,861,600	14,060,000
Noi Bai Catering Services Joint Stock Company	-	290,940,934
Total – Refer to Note 4.2	<u>1,175,274,864</u>	<u>803,742,198</u>
Other receivables:		
Advances:		
Mr Pham Van Ha – Vice General Director	85,733,658	121,095,937
Distribution of losses to investment cooperation parties:		
Mr Nguyen Thanh Dong – General Director	130,887,642	157,699,803
Mr Pham Van Ha – Vice General Director	91,229,001	111,338,123
Ms Le Thi Thuy Linh –Member of the Board of Directors	91,229,002	111,338,121
Total – Refer to Note 4.3	<u>399,079,303</u>	<u>501,471,984</u>
Trade payables:		
Noi Bai Catering Services Joint Stock Company	98,295,965	533,784,777
Vietnam Airport Ground Services Company Limited	-	610,750,000
Total – Refer to Note 4.9	<u>98,295,965</u>	<u>1,144,534,777</u>
Advances from customers – Refer to Note 4.10:		
Vietnam Airlines JSC	5,448,708,042	5,874,722,725

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	As at 31 Dec. 2023 VND	As at 01 Jan. 2023 VND
Other current payables:		
Profit payables to investment cooperation parties:		
Mr Nguyen Thanh Dong – General Director	51,826,078	78,222,424
Ms Le Thi Thuy Linh – Member of the Board of Directors	43,188,400	65,185,356
Total – Refer to Note 4.15	95,014,478	143,407,780
Other non-current payables:		
Capital contribution under business cooperation contracts:		
Mr Nguyen Thanh Dong – General Director	460,000,000	460,000,000
Ms Le Thi Thuy Linh – Member of the Board of Directors	370,000,000	370,000,000
Mr Pham Van Ha – Vice General Director	120,000,000	120,000,000
Total – Refer to Note 4.15	950,000,000	950,000,000
During the reporting year, the Company has had related party transactions as follows:		
	Year 2023 VND	Year 2022 VND
Sale of goods and rendering of services:		
Vietnam Airlines JSC	56,638,669,058	39,044,106,370
Vietnam Airport Ground Services Company Limited	3,333,539,500	-
Noi Bai Catering Services Joint Stock Company	374,262,324	269,389,753
Branch of Vietnam Airlines Engineering Company Limited at Da Nang City	145,405,594	137,134,363
Vietnam Airlines Caterers Ltd	115,373,905	-
Pacific Airlines Aviation Joint Stock Company	77,427,273	7,779,000
Total – Refer to Note 5.1	60,684,677,654	39,458,409,486
Purchase of goods:		
Noi Bai Catering Services Joint Stock Company	310,645,687	525,335,699
Payment discount – Refer to Note 5.3:		
Vietnam Airlines JSC	750,000,004	700,000,000
Purchase of services:		
Vietnam Airlines JSC		
+ Flight tickets fee	11,786,348	14,919,046
+ Cargo transportation fee	146,307,100	131,043,400

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Remunerations of the Board of Directors ("BOD"), management and the chief accountant are as follows:

Name	Position	Year 2023 VND		Year 2022 VND			
		Remuneration	Income	Total	Remuneration	Income	Total
Mr Dao Manh Kien	Chairman	19,500,000	-	19,500,000	19,500,000	-	19,500,000
Ms Le Thi Thuy Linh	Member of the BOD	10,920,000	170,491,290	181,411,290	10,920,000	149,068,706	159,988,706
Ms Nguyen Thi Thuy Linh	Member of the BOD	10,920,000	-	10,920,000	10,920,000	-	10,920,000
Mr Nguyen Thanh Dong	Member of the BOD/ General Director	10,920,000	597,185,215	608,105,215	10,920,000	370,081,551	381,001,551
Mr Tran Thanh Hai	Member of the BOD/ Vice General Director	10,920,000	409,671,384	420,591,384	10,920,000	286,065,323	296,985,323
Mr Pham Van Ha	Vice General Director	-	409,671,384	409,671,384	-	286,065,323	286,065,323
Ms Nguyen Thi Minh Huyen	Chief accountant	-	361,747,017	361,747,017	-	249,157,876	249,157,876
Total		63,180,000	1,948,766,290	2,011,946,290	63,180,000	1,340,438,779	1,403,618,779

9. REMUNERATION OF THE SUPERVISORY COMMITTEE

Name	Position	Year 2023 VND		Year 2022 VND			
		Remuneration	Income	Total	Remuneration	Income	Total
Mr Dinh Hong Son	Head of Supervisory Committee	-	93,600,000	93,600,000	-	93,600,000	93,600,000
Mr Nguyen Dung	Member of Supervisory Committee	7,800,000	128,925,424	136,725,424	7,800,000	88,886,521	96,686,521
Mr Le Giang Nam	Member of Supervisory Committee	7,800,000	221,046,888	228,846,888	7,800,000	149,311,242	157,111,242
Total		15,600,000	443,572,312	459,172,312	15,600,000	331,797,763	347,397,763



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. FINANCIAL INSTRUMENTS

In performing its operating, investing, and financing activities, the Company is exposed to the following financial risks:

- Credit risk: the possibility that a debtor will not repay all or a portion of a loan or will not repay in a timely manner and therefore will cause a loss to the Company.
- Liquidity risk: the risk that the Company may not have, or may not be able to raise, cash funds when needed and therefore encounter difficulty in meeting obligations associated with financial liabilities.
- Market risk: the risk that the value of a financial instrument will fluctuate in terms of fair value or future cash flows as a result of a fluctuation in market prices. Basically, the Company is exposed to three market risk components:
 - + Interest rate risk
 - + Currency risk

In order to effectively manage those risks, the Board of Directors has approved specific strategies for the management of financial risks, which are in line with corporate objectives. These strategies set up guidelines for the short- and long-term objectives and actions to be taken in order to manage the financial risks that the Company faces. The major guidelines are the following:

- Minimise interest rate, currency, and price risks for all kinds of transactions;
- All financial risk management activities are carried out and monitored at central level;
- All financial risk management activities are carried out on a prudent and consistent basis and following the best market practices.

The following table summarises the carrying amount of financial assets and financial liabilities recorded by category:

	As at 31 Dec. 2023 VND	As at 01 Jan. 2023 VND
Financial assets:		
Cash and cash equivalents	7,445,756,042	4,764,980,007
Trade & other receivables	13,763,482,181	8,938,805,708
Total	<u>21,209,238,223</u>	<u>13,703,785,715</u>
Financial liabilities:		
Borrowings	10,402,181,008	13,222,730,127
Trade & other payables	15,134,610,053	15,561,546,262
Accruals	264,692,000	128,701,908
Total	<u>25,801,483,061</u>	<u>28,912,978,297</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Credit risk

The Company controls its exposure to credit risk by setting limits on its exposure to individual customers. The Company has adopted a policy of dealing only with creditworthy counterparties. There are no significant concentrations of credit risk. The maximum credit risk to which the Company is exposed is summarised in the following table:

	As at 31 Dec. 2023 VND	As at 01 Jan. 2023 VND
Cash and cash equivalents	7,445,756,042	4,764,980,007
Trade & other receivables	13,763,482,181	8,938,805,708
Total	<u>21,209,238,223</u>	<u>13,703,785,715</u>

The Company does not hold collateral for any of its receivables. All the receivables that are past due at reporting date are impaired as appropriate. Note 4.4 provides an analysis of the allowance for doubtful receivables.

Liquidity risk

The Company manages liquidity risk on the basis of expected maturity dates.

The following tables analyse financial liabilities by remaining contractual maturity:

	Borrowings VND	Trade & other payables VND	Total VND
Less than 1 year	8,494,194,873	11,759,302,053	20,253,496,926
From 1 - 3 years	1,907,986,135	-	1,907,986,135
Over 5 years	-	3,640,000,000	3,640,000,000
As at 31 Dec. 2023	<u>10,402,181,008</u>	<u>15,134,610,053</u>	<u>25,801,483,061</u>
	Borrowings VND	Trade & other payables VND	Total VND
Less than 1 year	13,222,730,127	12,050,248,170	25,272,978,297
Over 5 years	-	3,640,000,000	3,640,000,000
As at 01 Jan. 2023	<u>13,222,730,127</u>	<u>15,690,248,170</u>	<u>28,912,978,297</u>

The Company expects to pay all liabilities at their contractual maturity. In order to meet such cash commitments, the Company expects the operating activity to generate sufficient cash inflows. In addition, the Company holds financial assets for which there is a liquid market and that are readily available to meet liquidity needs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Interest rate risk

The Company's exposure to interest rate risk mainly concerns floating-rate loans from banks. The following table analyses the breakdown of liabilities by type of interest rate:

	As at 31 Dec. 2023 VND	As at 01 Jan. 2023 VND
Financial Liabilities:		
Floating rate	10,402,181,008	13,222,730,127

In order to manage the interest rate risk, The Company has estimated the impact of interest expense on its operating results for each period, as well as analyzed and forecast to choose the appropriate times to pay liabilities. Management believes that the Company's risk of unexpected interest rate fluctuations is low.

Foreign currency risk

The Company has operations internationally so it is exposed to foreign currency risk as part of its normal business. The Company is exposed to USD risk due to its loans by foreign currency and catering transactions with international airlines such as STARLUX Airlines, Qatar Airways, Eznis Airways, etc...

In order to manage the foreign currency risk, the Company has implemented measures such as optimizing debt payment terms, selecting appropriate times to buy and pay foreign exchange, forecasting future foreign exchange rates, and optimizing existing cash resources to balance foreign exchange risk and liquidity risk.

Financial assets are analysed by currency as follows:

	Other receivable VND	Trade receivable VND	Cash VND	Total VND
As at 31 Dec. 2023				
VND	3,068,864,354	8,033,686,564	7,308,061,446	18,410,612,364
USD	-	2,660,931,263	137,694,596	2,798,625,859
Total	<u>3,068,864,354</u>	<u>10,694,617,827</u>	<u>7,445,756,042</u>	<u>21,209,238,223</u>
As at 01 Jan. 2023				
VND	4,120,940,582	4,567,363,144	4,614,853,483	13,303,157,209
USD	-	250,501,982	150,126,524	400,628,506
Total	<u>4,120,940,582</u>	<u>4,817,865,126</u>	<u>4,764,980,007</u>	<u>13,703,785,715</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The following table analyses the breakdown of liabilities by currency:

	<u>Loans VND</u>	<u>Trade and other payables VND</u>	<u>Accruals VND</u>	<u>Total VND</u>
As at 31 Dec. 2023				
VND	10,402,181,008	14,890,410,053	264,692,000	25,557,283,061
USD	-	244,200,000	-	244,200,000
Total	<u>10,402,181,008</u>	<u>15,134,610,053</u>	<u>264,692,000</u>	<u>25,801,483,061</u>
As at 01 Jan. 2023				
VND	11,763,809,727	15,229,326,262	128,701,908	27,121,837,897
USD	1,458,920,400	332,220,000	-	1,791,140,400
Total	<u>13,222,730,127</u>	<u>15,561,546,262</u>	<u>128,701,908</u>	<u>28,912,978,297</u>

11. EVENTS AFTER THE END OF THE REPORTING YEAR

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.



Nguyen Thanh Dong
 General Director

Nguyen Thi Minh Huyen
 Chief Accountant

Pham Thi Thuong
 Preparer

Da Nang, 04 March 2024